

PHNOM PENH COMMERCIAL BANK PLC.

**CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL
INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

PHNOM PENH COMMERCIAL BANK PLC.

**CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

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Report on review of interim financial information

To the Shareholders of Phnom Penh Commercial Bank Plc.

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Phnom Penh Commercial Bank Plc. (the "Bank") and its subsidiary, J&A (Cambodia) Investment Co., Ltd. (together the "Group") as at 30 June 2021, condensed separate statement of financial position of the Bank as at 30 June 2021, and the related condensed consolidated and separate statements of profit or loss and other comprehensive income for the three-month and six-month periods then ended, and condensed consolidated and separate statements of changes in equity and cash flows for the six-month period then ended, and notes, comprising a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information of the Group and condensed separate interim financial information of the Bank in accordance with Cambodian International Accounting Standard 34, "Interim financial reporting". Our responsibility is to express a conclusion on this condensed consolidated and separate interim financial information based on our review.

Scope of review

We conducted our review in accordance with Cambodian International Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Cambodian International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated and separate interim financial information is not prepared, in all material respects, in accordance with Cambodian International Accounting Standard 34, "Interim financial reporting".

For PricewaterhouseCoopers (Cambodia) Ltd.




By Kuy Lim
Partner

Phnom Penh, Kingdom of Cambodia
6 August 2021

PHNOM PENH COMMERCIAL BANK PLC.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021**

	Notes	30 June 2021		31 December 2020	
		US\$	KHR'000	US\$	KHR'000
ASSETS					
Cash on hand		38,871,810	158,208,267	36,272,455	146,722,080
Balances with the central bank		44,391,857	180,674,858	73,290,366	296,459,530
Balances with other banks and financial institutions		82,467,144	335,641,276	99,998,608	404,494,369
Statutory deposits with the central bank		61,904,886	251,952,886	59,535,255	240,820,106
Loans to customers	6	723,764,971	2,945,723,431	721,322,069	2,917,747,769
Investment securities		3,174,990	12,922,209	3,157,903	12,773,718
Intangible assets		7,262,912	29,560,052	8,028,928	32,477,014
Property and equipment		15,331,167	62,397,850	16,279,751	65,851,593
Right of use assets	7	10,788,446	43,908,975	9,780,184	39,560,844
Deferred tax assets		-	-	237,010	958,705
Other assets		5,720,410	23,282,069	5,295,459	21,420,132
TOTAL ASSETS		<u>993,678,593</u>	<u>4,044,271,873</u>	<u>1,033,197,988</u>	<u>4,179,285,860</u>
LIABILITIES AND EQUITY					
LIABILITIES					
Deposits from other banks		79,997,428	325,589,532	88,565,577	358,247,759
Deposits from non-bank customers		675,326,010	2,748,576,860	718,342,962	2,905,697,281
Current income tax liabilities		1,060,344	4,315,600	3,522,712	14,249,370
Deferred tax liabilities		396,583	1,614,092	-	-
Borrowings		19,147,159	77,928,937	15,407,410	62,322,973
Debt securities issued		19,694,136	80,155,134	19,793,474	80,064,602
Lease liabilities	7	11,318,139	46,064,826	10,189,841	41,217,907
Employee benefit obligations		163,000	663,410	163,000	659,335
Other liabilities		3,825,699	15,570,595	1,538,547	6,223,423
Subordinated debts		20,037,128	81,551,111	20,037,128	81,050,182
TOTAL LIABILITIES		<u>830,965,626</u>	<u>3,382,030,097</u>	<u>877,560,651</u>	<u>3,549,732,832</u>
EQUITY					
Share capital	8	102,000,000	415,140,000	92,000,000	372,140,000
Regulatory reserve		14,873,887	62,152,581	11,683,167	49,195,067
Retained earnings		45,839,080	185,303,978	51,954,170	210,137,359
Other reserves		-	(354,783)	-	(1,919,398)
TOTAL EQUITY		<u>162,712,967</u>	<u>662,241,776</u>	<u>155,637,337</u>	<u>629,553,028</u>
TOTAL LIABILITIES AND EQUITY		<u>993,678,593</u>	<u>4,044,271,873</u>	<u>1,033,197,988</u>	<u>4,179,285,860</u>

The accompanying notes on pages 11 to 24 form an integral part of this condensed consolidated interim financial information.

PHNOM PENH COMMERCIAL BANK PLC.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2021

	Notes	For the three-month period ended				For the six-month period ended			
		30 June 2021		30 June 2020		30 June 2021		30 June 2020	
		US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Interest income		18,541,646	75,334,708	16,820,288	68,744,517	36,441,774	147,990,044	33,125,714	135,020,410
Interest expense		(6,893,658)	(28,008,932)	(6,885,799)	(28,142,261)	(14,174,456)	(57,562,466)	(13,135,792)	(53,541,488)
Net interest income		<u>11,647,988</u>	<u>47,325,776</u>	<u>9,934,489</u>	<u>40,602,256</u>	<u>22,267,318</u>	<u>90,427,578</u>	<u>19,989,922</u>	<u>81,478,922</u>
Fees and commission income		122,208	496,531	1,225,262	5,007,646	868,597	3,527,372	1,883,751	7,678,169
Fees and commission expense		(279,396)	(1,135,186)	(279,796)	(1,143,526)	(541,237)	(2,197,963)	(596,707)	(2,432,178)
Net fees and commission (expense)/income		<u>(157,188)</u>	<u>(638,655)</u>	<u>945,466</u>	<u>3,864,120</u>	<u>327,360</u>	<u>1,329,409</u>	<u>1,287,044</u>	<u>5,245,991</u>
Impairment losses on financial assets	9	(368,410)	(1,496,850)	(269,771)	(1,102,554)	(2,162,846)	(8,783,318)	(509,098)	(2,075,083)
Other losses – net		(167,370)	(680,024)	(324,869)	(1,327,740)	(102,640)	(416,821)	(4,453)	(18,150)
Other operating income		352,540	1,432,370	9,922	40,551	653,460	2,653,701	20,418	83,224
Net other operating loss		<u>(183,240)</u>	<u>(744,504)</u>	<u>(584,718)</u>	<u>(2,389,743)</u>	<u>(1,612,026)</u>	<u>(6,546,438)</u>	<u>(493,133)</u>	<u>(2,010,009)</u>
Personnel expenses		(2,011,730)	(8,173,659)	(1,822,241)	(7,447,499)	(3,850,865)	(15,638,363)	(3,956,023)	(16,124,750)
Depreciation and amortisation		(1,912,074)	(7,768,757)	(1,301,142)	(5,317,767)	(3,798,459)	(15,425,541)	(3,069,038)	(12,509,399)
Other operating expenses	10	(2,754,644)	(11,192,119)	(1,822,363)	(7,447,998)	(4,477,738)	(18,184,094)	(3,334,979)	(13,593,374)
Profit before income tax		<u>4,629,112</u>	<u>18,808,082</u>	<u>5,349,491</u>	<u>21,863,369</u>	<u>8,855,590</u>	<u>35,962,551</u>	<u>10,423,793</u>	<u>42,487,381</u>
Income tax expense		(905,596)	(3,679,437)	(1,185,039)	(4,843,254)	(1,779,960)	(7,228,418)	(2,391,349)	(9,747,139)
Profit for the period		<u>3,723,516</u>	<u>15,128,645</u>	<u>4,164,452</u>	<u>17,020,115</u>	<u>7,075,630</u>	<u>28,734,133</u>	<u>8,032,444</u>	<u>32,740,242</u>
Other comprehensive income									
<i>Items that will not be reclassified to profit or loss</i>									
Currency translation differences		-	1,609,353	-	1,254,831	-	1,564,615	-	985,540
		-	1,609,353	-	1,254,831	-	1,564,615	-	985,540
Total comprehensive income for the period		<u>3,723,516</u>	<u>16,737,998</u>	<u>4,164,452</u>	<u>18,274,946</u>	<u>7,075,630</u>	<u>30,298,748</u>	<u>8,032,444</u>	<u>33,725,782</u>
Profit attributable to owners of the Group		<u>3,723,516</u>	<u>15,128,645</u>	<u>4,164,452</u>	<u>17,020,115</u>	<u>7,075,630</u>	<u>28,734,133</u>	<u>8,032,444</u>	<u>32,740,242</u>
Total comprehensive income attributable to owners of the Group		<u>3,723,516</u>	<u>16,737,998</u>	<u>4,164,452</u>	<u>18,274,946</u>	<u>7,075,630</u>	<u>30,298,748</u>	<u>8,032,444</u>	<u>33,725,782</u>

The accompanying notes on pages 11 to 24 form an integral part of this condensed consolidated interim financial information.

PHNOM PENH COMMERCIAL BANK PLC.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

	Attributable to owners of the Group									
	Share capital		Regulatory reserve		Retained earnings		Other reserves		Total	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Balance at 1 January 2020	80,000,000	326,000,000	8,252,811	35,209,506	50,246,672	203,175,889	-	-	138,499,483	564,385,395
Profit for the period	-	-	-	-	8,032,444	32,740,242	-	-	8,032,444	32,740,242
Other comprehensive income - currency translation differences	-	-	-	-	-	-	-	985,540	-	985,540
Total comprehensive income for the period	-	-	-	-	8,032,444	32,740,242	-	985,540	8,032,444	33,725,782
Transactions with owners in their capacity as owners:										
Conversion of retained earnings to share capital (Note 8)	12,000,000	48,912,000	-	-	(12,000,000)	(48,912,000)	-	-	-	-
Transfers from retained earnings to regulatory reserve	-	-	2,773,473	11,304,676	(2,773,473)	(11,304,676)	-	-	-	-
Currency translation differences	-	1,644,000	-	-	-	-	-	-	-	1,644,000
Total transactions with owners	12,000,000	50,556,000	2,773,473	11,304,676	(14,773,473)	(60,216,676)	-	-	-	1,644,000
Balance at 30 June 2020	<u>92,000,000</u>	<u>376,556,000</u>	<u>11,026,284</u>	<u>46,514,182</u>	<u>43,505,643</u>	<u>175,699,455</u>	-	<u>985,540</u>	<u>146,531,927</u>	<u>599,755,177</u>
Balance at 1 January 2021	92,000,000	372,140,000	11,683,167	49,195,067	51,954,170	210,137,359	-	(1,919,398)	155,637,337	629,553,028
Profit for the period	-	-	-	-	7,075,630	28,734,133	-	-	7,075,630	28,734,133
Other comprehensive income - currency translation differences	-	-	-	-	-	-	-	1,564,615	-	1,564,615
Total comprehensive income for the period	-	-	-	-	7,075,630	28,734,133	-	1,564,615	7,075,630	30,298,748
Transactions with owners in their capacity as owners:										
Conversion of retained earnings to share capital (Note 8)	10,000,000	40,610,000	-	-	(10,000,000)	(40,610,000)	-	-	-	-
Transfers from retained earnings to regulatory reserve	-	-	3,190,720	12,957,514	(3,190,720)	(12,957,514)	-	-	-	-
Currency translation differences	-	2,390,000	-	-	-	-	-	-	-	2,390,000
Total transactions with owners	10,000,000	43,000,000	3,190,720	12,957,514	(13,190,720)	(53,567,514)	-	-	-	2,390,000
Balance at 30 June 2021	<u>102,000,000</u>	<u>415,140,000</u>	<u>14,873,887</u>	<u>62,152,581</u>	<u>45,839,080</u>	<u>185,303,978</u>	-	<u>(354,783)</u>	<u>162,712,967</u>	<u>662,241,776</u>

The accompanying notes on pages 11 to 24 form an integral part of this condensed consolidated interim financial information.

PHNOM PENH COMMERCIAL BANK PLC.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

	For the six-month period ended			
	30 June 2021		30 June 2020	
	US\$	KHR'000	US\$	KHR'000
Cash flows from operating activities				
Profit before income tax	8,855,590	35,962,551	10,423,793	42,487,381
<i>Adjustments for:</i>				
Depreciation and amortisation	3,798,458	15,425,541	3,069,038	12,509,399
Impairment losses on financial assets	2,162,846	8,783,318	509,098	2,075,083
Unrealised exchange (gains)/losses on investment securities	(18,180)	(73,829)	48,322	196,960
Unrealised exchange gains on borrowings and debt securities	(264,708)	(1,074,979)	(140,724)	(573,591)
Interest income	(36,441,774)	(147,990,044)	(33,125,714)	(135,020,410)
Interest expense	14,174,456	57,562,466	13,135,792	53,541,488
<i>Changes in working capital:</i>				
Reserve requirement with the central bank	(1,388,647)	(5,639,295)	28,810,396	117,431,174
Loans to customers	(4,213,755)	(17,112,059)	(39,316,173)	(160,252,721)
Other assets	(424,951)	(1,725,726)	(602,264)	(2,454,828)
Deposits from other banks	(8,589,387)	(34,881,501)	39,808,042	162,257,579
Deposit from non-bank customers	(42,589,974)	(172,957,884)	277,158	1,129,696
Other liabilities	2,192,815	8,905,022	67,423	274,816
Cash (used in)/generated from operations	(62,747,211)	(254,816,419)	22,964,187	93,602,026
Interest received	36,167,581	146,876,546	32,418,981	132,139,767
Interest paid	(14,523,873)	(58,981,448)	(12,068,975)	(49,193,142)
Income tax paid	(3,608,735)	(14,655,073)	(4,568,983)	(18,623,175)
Net cash (used in)/generated from operating activities	(44,712,238)	(181,576,394)	38,745,210	157,925,476
Cash flows from investing activities				
Capital guarantee deposits	(1,000,000)	(4,061,000)	-	-
Purchases of property and equipment	(683,996)	(2,777,708)	(1,292,821)	(5,269,538)
Purchases of intangible assets	(232,299)	(943,366)	(1,118,071)	(4,557,257)
(Placements)/withdrawals of Negotiable Certificate of Deposits with the central bank	(10,027,000)	(40,719,647)	6,970,000	28,409,720
Balances with other banks and financial institutions	7,945,525	32,266,777	(40,500,535)	(165,080,181)
Net cash used in investing activities	(3,997,770)	(16,234,944)	(35,941,427)	(146,497,256)
Cash flows from financing activities				
Dividends paid	-	-	(1,000,000)	(4,076,000)
Proceeds from borrowings	15,759,665	64,000,000	17,664,377	72,000,001
Repayment of borrowings	(11,910,869)	(48,370,039)	(22,080,471)	(90,000,000)
Proceeds from issuance of debt securities	-	-	9,809,933	39,985,287
Principal elements of lease payments	(1,047,527)	(4,254,007)	(1,011,517)	(4,122,943)
Net cash generated from financing activities	2,801,269	11,375,954	3,382,322	13,786,345
Net (decrease)/increase in cash and cash equivalents	(45,908,739)	(186,435,384)	6,186,105	25,214,565
Cash and cash equivalents at beginning of period	110,973,850	448,889,223	98,262,036	400,417,797
Currency translation differences	-	2,361,163	-	1,873,879
Cash and cash equivalents at end of period	65,065,111	264,815,002	104,448,141	427,506,241

Non-cash investing activities

Retained earnings amounting to US\$10,000,000 of the Bank was converted to be share capital during the period (see note 8).

The accompanying notes on pages 11 to 24 form an integral part of this condensed consolidated interim financial information.

PHNOM PENH COMMERCIAL BANK PLC.

**CONDENSED SEPARATE STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021**

	Notes	30 June 2021		31 December 2020	
		US\$	KHR'000	US\$	KHR'000
ASSETS					
Cash on hand		38,871,810	158,208,267	36,272,455	146,722,080
Balances with the central bank		44,391,857	180,674,858	73,290,366	296,459,530
Balances with other banks and financial institutions		82,467,144	335,641,276	99,998,609	404,494,373
Statutory deposits with the central bank		61,904,886	251,952,886	59,535,255	240,820,106
Loans to customers	6	729,995,107	2,971,080,085	727,553,634	2,942,954,450
Investment securities		3,174,990	12,922,209	3,157,903	12,773,718
Investment in subsidiary		490,000	1,994,300	490,000	1,982,050
Intangible assets		7,262,912	29,560,052	8,028,928	32,477,014
Property and equipment		8,694,308	35,385,834	9,636,834	38,980,994
Right of use assets	7	19,621,382	79,859,025	18,940,263	76,613,364
Deferred tax assets		-	-	371,863	1,504,186
Other assets		5,718,870	23,275,801	5,293,919	21,413,902
TOTAL ASSETS		<u>1,002,593,266</u>	<u>4,080,554,593</u>	<u>1,042,570,029</u>	<u>4,217,195,767</u>
LIABILITIES AND EQUITY					
LIABILITIES					
Deposits from other banks		79,997,428	325,589,532	88,565,577	358,247,759
Deposits from non-bank customers		675,574,575	2,749,588,520	718,446,765	2,906,117,165
Current income tax liabilities		1,066,431	4,340,374	3,478,708	14,071,374
Deferred tax liabilities		243,818	992,339	-	-
Borrowings		19,147,159	77,928,937	15,407,410	62,322,973
Debt securities issued		19,694,136	80,155,134	19,793,474	80,064,602
Lease liabilities	7	20,987,951	85,420,961	20,094,146	81,280,821
Employee benefit obligations		163,000	663,410	163,000	659,335
Other liabilities		3,817,430	15,536,940	1,530,290	6,190,023
Subordinated debts		20,037,128	81,551,111	20,037,128	81,050,182
TOTAL LIABILITIES		<u>840,729,056</u>	<u>3,421,767,258</u>	<u>887,516,498</u>	<u>3,590,004,234</u>
EQUITY					
Share capital	8	102,000,000	415,140,000	92,000,000	372,140,000
Regulatory reserve		14,933,555	62,378,908	11,744,124	49,426,629
Retained earnings		44,930,655	181,622,289	51,309,407	207,526,401
Other reserves		-	(353,862)	-	(1,901,497)
TOTAL EQUITY		<u>161,864,210</u>	<u>658,787,335</u>	<u>155,053,531</u>	<u>627,191,533</u>
TOTAL LIABILITIES AND EQUITY		<u>1,002,593,266</u>	<u>4,080,554,593</u>	<u>1,042,570,029</u>	<u>4,217,195,767</u>

The accompanying notes on pages 11 to 24 form an integral part of this condensed separate interim financial information.

PHNOM PENH COMMERCIAL BANK PLC.

CONDENSED SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2020

Notes	For the three-month period ended				For the six-month period ended				
	30 June 2021		30 June 2020		30 June 2021		30 June 2020		
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	
Interest income	18,673,984	75,872,397	16,921,467	69,158,036	36,703,972	149,054,830	33,357,912	135,966,849	
Interest expense	(6,995,764)	(28,423,789)	(7,182,175)	(29,353,549)	(14,369,358)	(58,353,963)	(13,489,419)	(54,982,872)	
Net interest income	11,678,220	47,448,608	9,739,292	39,804,487	22,334,614	90,700,867	19,868,493	80,983,977	
Fees and commission income	122,208	496,531	1,225,262	5,007,646	868,597	3,527,372	1,883,751	7,678,169	
Fees and commission expense	(279,396)	(1,135,186)	(279,764)	(1,143,395)	(541,237)	(2,197,963)	(596,675)	(2,432,047)	
Net fees and commission (expense)/income	(157,188)	(638,655)	945,498	3,864,251	327,360	1,329,409	1,287,076	5,246,122	
Impairment losses on financial assets	9	(368,409)	(1,496,846)	(270,808)	(1,106,792)	(2,164,134)	(8,788,548)	(510,418)	(2,080,464)
Other (losses)/gains – net		(142,122)	(577,442)	435,830	1,781,237	(62,759)	(254,864)	756,246	3,082,459
Other operating income		352,541	1,432,374	9,922	40,551	653,461	2,653,705	20,418	83,224
Net other operating (loss)/income		(157,990)	(641,914)	174,944	714,996	(1,573,432)	(6,389,707)	266,246	1,085,219
Personnel expenses		(2,011,730)	(8,173,659)	(1,822,241)	(7,447,499)	(3,850,865)	(15,638,363)	(3,956,023)	(16,124,750)
Depreciation and amortisation		(2,072,616)	(8,421,039)	(1,512,764)	(6,182,666)	(4,119,544)	(16,729,468)	(3,374,237)	(13,753,390)
Other operating expenses	10	(2,780,471)	(11,297,054)	(1,698,166)	(6,940,404)	(4,559,100)	(18,514,505)	(3,106,358)	(12,661,515)
Profit before income tax		4,498,225	18,276,287	5,826,563	23,813,165	8,559,033	34,758,233	10,985,197	44,775,663
Income tax expense		(883,167)	(3,588,308)	(1,297,785)	(5,304,047)	(1,748,354)	(7,100,066)	(2,497,768)	(10,180,902)
Profit for the period		3,615,058	14,687,979	4,528,778	18,509,118	6,810,679	27,658,167	8,487,429	34,594,761
Other comprehensive income									
<i>Items that will not be reclassified to profit or loss</i>									
Currency translation difference		-	1,592,373	-	1,253,014	-	1,547,635	-	986,226
		-	1,592,373	-	1,253,014	-	1,547,635	-	986,226
Total comprehensive income for the period		3,615,058	16,280,352	4,528,778	19,762,132	6,810,679	29,205,802	8,487,429	35,580,987
Profit attributable to owners of the Bank		3,615,058	14,687,979	4,528,778	18,509,118	6,810,679	27,658,167	8,487,429	34,594,761
Total comprehensive income attributable to owners of the Bank		3,615,058	16,280,352	4,528,778	19,762,132	6,810,679	29,205,802	8,487,429	35,580,987

The accompanying notes on pages 11 to 24 form an integral part of this condensed separate interim financial information.

PHNOM PENH COMMERCIAL BANK PLC.

CONDENSED SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

	Attributable to owners of the Bank									
	Share capital		Regulatory reserve		Retained earnings		Other reserves		Total	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Balance at 1 January 2020	80,000,000	326,000,000	8,314,820	35,445,357	49,792,989	201,343,965	-	-	138,107,809	562,789,322
Profit for the period	-	-	-	-	8,487,429	34,594,761	-	-	8,487,429	34,594,761
Other comprehensive income - currency translation differences	-	-	-	-	-	-	-	986,226	-	986,226
Total comprehensive income for the period	-	-	-	-	8,487,429	34,594,761	-	986,226	8,487,429	35,580,987
Transactions with owners in their capacity as owners:										
Conversion of retained earnings to share capital (Note 8)	12,000,000	48,912,000	-	-	(12,000,000)	(48,912,000)	-	-	-	-
Transfers from retained earnings to regulatory reserve	-	-	2,772,153	11,299,296	(2,772,153)	(11,299,296)	-	-	-	-
Currency translation differences	-	1,644,000	-	-	-	-	-	-	-	1,644,000
Total transactions with owners	12,000,000	50,556,000	2,772,153	11,299,296	(14,772,153)	(60,211,296)	-	-	-	1,644,000
Balance at 30 June 2020	92,000,000	376,556,000	11,086,973	46,744,653	43,508,265	175,727,430	-	986,226	146,595,238	600,014,309
Balance at 1 January 2021	92,000,000	372,140,000	11,744,124	49,426,629	51,309,407	207,526,401	-	(1,901,497)	155,053,531	627,191,533
Profit for the period	-	-	-	-	6,810,679	27,658,167	-	-	6,810,679	27,658,167
Other comprehensive income - currency translation differences	-	-	-	-	-	-	-	1,547,635	-	1,547,635
Total comprehensive income for the period	-	-	-	-	6,810,679	27,658,167	-	1,547,635	6,810,679	29,205,802
Transactions with owners in their capacity as owners:										
Conversion of retained earnings to share capital (Note 8)	10,000,000	40,610,000	-	-	(10,000,000)	(40,610,000)	-	-	-	-
Transfers from retained earnings to regulatory reserve	-	-	3,189,431	12,952,279	(3,189,431)	(12,952,279)	-	-	-	-
Currency translation difference	-	2,390,000	-	-	-	-	-	-	-	2,390,000
Total transactions with owners	10,000,000	43,000,000	3,189,431	12,952,279	(13,189,431)	(53,562,279)	-	-	-	2,390,000
Balance at 30 June 2021	102,000,000	415,140,000	14,933,555	62,378,908	44,930,655	181,622,289	-	(353,862)	161,864,210	658,787,335

The accompanying notes on pages 11 to 24 form an integral part of this condensed separate interim financial information.

PHNOM PENH COMMERCIAL BANK PLC.

**CONDENSED SEPARATE STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

	For the six-month period ended			
	30 June 2021		30 June 2020	
	US\$	KHR'000	US\$	KHR'000
Cash flows from operating activities				
Profit before income tax	8,559,033	34,758,233	10,985,197	44,775,663
<i>Adjustments for:</i>				
Depreciation and amortisation	4,119,545	16,729,468	3,374,237	13,753,390
Impairment losses on financial assets	2,164,134	8,788,549	510,418	2,080,464
Unrealised exchange losses on investment securities	(18,180)	(73,829)	48,322	196,960
Unrealised exchange gains on borrowings and debt securities	(264,708)	(1,074,979)	(140,724)	(573,591)
Other gains - net	-	-	(678,465)	(2,765,423)
Interest income	(36,703,972)	(149,054,830)	(33,357,912)	(135,966,849)
Interest expense	14,369,358	58,353,963	13,489,419	54,982,872
<i>Changes in working capital:</i>				
Placements of reserve requirement with the central bank	(1,388,647)	(5,639,295)	28,810,396	117,431,174
Loans to customers	(4,213,755)	(17,112,059)	(39,316,173)	(160,252,721)
Other assets	(424,951)	(1,725,726)	(604,856)	(2,465,393)
Deposits from other banks	(8,589,387)	(34,881,501)	39,808,042	162,257,579
Deposits from non-bank customers	(42,445,212)	(172,370,006)	193,806	789,953
Other liabilities	2,192,803	8,904,973	125,200	510,315
Cash (used in)/generated from operations	(62,643,939)	(254,397,039)	23,246,907	94,754,393
Interest received	36,429,920	147,941,905	32,651,179	133,086,206
Interest paid	(14,718,775)	(59,772,945)	(12,422,602)	(50,634,526)
Income tax paid	(3,544,950)	(14,396,042)	(4,564,067)	(18,603,137)
Net cash (used in)/generated from operating activities	<u>(44,477,744)</u>	<u>(180,624,121)</u>	<u>38,911,417</u>	<u>158,602,936</u>
Cash flows from investing activities				
Capital guarantee deposits	(1,000,000)	(4,061,000)	-	-
Purchases of property and equipment	(683,996)	(2,777,708)	(1,292,821)	(5,269,538)
Purchases of intangible assets	(232,299)	(943,366)	(1,118,071)	(4,557,257)
(Placements)/withdrawals of Negotiable Certificate of Deposits with the central bank	(10,027,000)	(40,719,647)	6,970,000	28,409,720
Balances with other banks and financial institutions	7,945,525	32,266,777	(40,500,535)	(165,080,181)
Net cash used in investing activities	<u>(3,997,770)</u>	<u>(16,234,944)</u>	<u>(35,941,427)</u>	<u>(146,497,256)</u>
Cash flows from financing activities				
Dividends paid	-	-	(1,000,000)	(4,076,000)
Proceeds from borrowings	15,759,665	64,000,000	17,664,377	72,000,001
Repayments of borrowings	(11,910,869)	(48,370,039)	(22,080,471)	(90,000,000)
Proceeds from issuance of debt securities	-	-	9,809,933	39,985,287
Principal elements of lease payments	(1,282,021)	(5,206,287)	(1,177,724)	(4,800,403)
Net cash generated from financing activities	<u>2,566,775</u>	<u>10,423,674</u>	<u>3,216,115</u>	<u>13,108,885</u>
Net (decrease)/increase in cash and cash equivalents	(45,908,739)	(186,435,391)	6,186,105	25,214,565
Cash and cash equivalents at beginning of period	110,973,850	448,889,223	98,262,036	400,417,797
Currency translation differences	-	2,361,170	-	1,873,879
Cash and cash equivalents at end of period	<u>65,065,111</u>	<u>264,815,002</u>	<u>104,448,141</u>	<u>427,506,241</u>

Non-cash from investing activities

Retained earnings amounting to US\$10,000,000 of the Bank was converted to be share capital during the period (see note 8).

The accompanying notes on pages 11 to 24 form an integral part of this condensed separate interim financial information.

PHNOM PENH COMMERCIAL BANK PLC.

NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

1. GENERAL INFORMATION

Phnom Penh Commercial Bank Plc. (the “Bank”) was registered with the Ministry of Commerce as a public limited liability company under the registration number 00015794, dated 20 May 2008 and obtained a licence from the National Bank of Cambodia (the “NBC”) to carry out banking operations effective from 27 August 2008. The Bank officially commenced its operations on 1 September 2008.

The principal activity of the Bank is the provision of all aspects of banking business and related financial services in the Kingdom of Cambodia. As at 30 June 2021, the Bank has a head office and sixteen branches in Phnom Penh and seven branches in Siem Reap, Battambang, Sihanoukville, Kampong Cham, Kampong Thom, Kandal and Kampot provinces.

Star & Crane Cam Co., Ltd. (the “Subsidiary”) is a private limited company, which was registered with the Ministry of Commerce under the registration number 00013276, dated 28 August 2014. On 23 April 2020, the Subsidiary has obtained an approval from the Ministry of Commerce on changing its legal name from Star & Crane Cam Co., Ltd. to J&A (Cambodia) Investment Co., Ltd. The principal activities of the subsidiary are buying, selling, renting and operating self-owned or leased real estate and development of building projects for the business operations of the Group.

The registered office of the Bank and its subsidiary (the “Group”) are located at No. 217, Norodom Boulevard (Street 41), Sangkat Tonle Basak, Khan Chamkar Mon, Phnom Penh, Kingdom of Cambodia.

In 2019, the Bank requested the Cambodia Securities Exchange (“CSX”) and Securities and Exchange Regulator of Cambodia (“SERC”) to list its corporate bonds in the CSX. The request was approved in principle by CSX on 25 December 2019.

The condensed consolidated and separate interim financial information was authorised for issue by the Board of Directors on 6 August 2021.

The condensed consolidated and separate interim financial information for the six-month period ended 30 June 2021 has been reviewed, not audited.

2. BASIS OF PREPARATION

This condensed consolidated and separate interim financial information for the six-month reporting period ended 30 June 2021 has been prepared in accordance with Cambodian International Accounting Standard (CIAS) 34 “Interim Financial Reporting”.

The condensed consolidated and separate interim financial information does not include all the notes of the type normally included in the annual audited financial statements. Accordingly, this report is to be read in conjunction with the annual audited financial statements for the year ended 31 December 2020, which have been prepared in accordance with Cambodian International Financial Reporting Standards (CIFRS).

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

An English version of these consolidated and separate interim financial information has been prepared from the consolidated and separate interim financial information that is in the Khmer language. In the event of a conflict or a difference in interpretation between the two languages, the Khmer language consolidated and separate interim financial information shall prevail.

PHNOM PENH COMMERCIAL BANK PLC.

NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

2. BASIS OF PREPARATION (continued)

New and amended standards adopted by the group

A number of amended standards became applicable for the current reporting period as follows:

- COVID-19 Related Rent Concessions – Amendments to CIFRS 16
- Interest rate benchmark reform - Phase 2 - Amendments to CIFRS 9, CIAS 39, CIFRS 7, and CIFRS 16

Those amended standards have no impact on the Group or the Bank. As a result, the Group or the Bank did not have to change its accounting policies or make retrospective adjustments.

Presentation in Khmer Riel (KHR)

In compliance with the Law on Accounting and Auditing, the condensed consolidated financial information shall be expressed in Khmer Riel. The condensed consolidated and separate statements of profit or loss and other comprehensive income and cash flows are translated into Khmer Riel using the average rates for the period. Assets and liabilities for condensed consolidated and separate statements of financial position presented are translated at the closing rates as of the reporting date. Resulting exchange difference arising from the translation of shareholders' capital is recognised directly in equity; all other resulting exchange differences are recognised in the other comprehensive income.

As at the reporting date, the average rates and closing rates are based on the following exchange rates per \$1:

	For the three-month period ended		For the six-month period ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Average rate	KHR 4,063	KHR 4,087	KHR 4,061	KHR 4,076
			30 June 2021	31 December 2020
Closing rate			KHR 4,070	KHR 4,045

PHNOM PENH COMMERCIAL BANK PLC.

NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

3. SIGNIFICANT EVENTS AND TRANSACTIONS IN THE CURRENT REPORTING PERIOD

The following are the significant events that occurred in the current reporting period:

Impact on impairment charge from COVID-19

Because of the ongoing spread of COVID-19 pandemic and a recent travel restriction and lockdown in Phnom Penh and Takmao city issued by the Royal Government of Cambodia in April 2021, the country economy is experiencing an economic downturn, which could potentially have an impact on the quality of the financial assets including loans to customers. Therefore, the management continuously refreshes the parameters of the allowances for expected losses to reflect the current economic condition and downgrades the staging of its borrowers for the expected credit losses calculation purpose on the additional restructured loans to customers who are having financial difficulties due to the recent community outbreak, which result in additional impairment charges for the period.

Other than additional impairment loss recognised, management considers that the Group and the Bank's activities may be slow in this short period but would not lead to a going concern issue given the size of the operations, current profitability level and liquidity headroom of the Group and the Bank.

The conversion of retained earnings to share capital

During the period, the Bank transferred its retained earnings amounting to US\$10,000,000 to be its share capital, which was approved by the Central Bank and the Ministry of Commerce on 2 June 2021 and 30 June 2021, respectively (see note 8).

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The Group and the Bank make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The significant estimates, assumptions and judgements made by management in applying the Group and the Bank's accounting policies and the key sources of estimation uncertainty are the same as those that applied to the annual audited financial statements for the year ended 31 December 2020.

5. SEGMENT AND REVENUE INFORMATION

The Group and the Bank has only one reportable segment, namely, banking service income. The chief operating decision-maker ("the executive committee") reviews the internal management report, which reports the performances of the banking service income segment as a whole, to assess performance and allocate resources. The executive committee also reviews profit before tax and net profit as a whole compared to prior period.

PHNOM PENH COMMERCIAL BANK PLC.

NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

6. LOANS TO CUSTOMERS

(a) Details of loans to customers:

	Consolidated financial information				Separate financial information			
	30 June 2021		31 December 2020		30 June 2021		31 December 2020	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Loans to customers at amortised costs	726,917,265	2,958,553,268	722,412,525	2,922,158,664	733,149,832	2,983,919,816	728,645,233	2,947,369,968
Less: Allowance for expected credit loss	(3,152,294)	(12,829,837)	(1,090,456)	(4,410,895)	(3,154,725)	(12,839,731)	(1,091,599)	(4,415,518)
Net loans to customers	723,764,971	2,945,723,431	721,322,069	2,917,747,769	729,995,107	2,971,080,085	727,553,634	2,942,954,450

(b) Allowance for expected credit loss

	Consolidated financial information				Separate financial information			
	30 June 2021		31 December 2020		30 June 2021		31 December 2020	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
12-month ECL (Stage 1)	1,563,352	6,362,843	193,668	783,387	1,565,783	6,372,737	194,811	788,010
Lifetime ECL - not credit impaired (Stage 2)	442,546	1,801,162	85,127	344,339	442,546	1,801,162	85,127	344,339
Lifetime ECL - credit impaired (Stage 3)	1,146,396	4,665,832	811,661	3,283,169	1,146,396	4,665,832	811,661	3,283,169
	3,152,294	12,829,837	1,090,456	4,410,895	3,154,725	12,839,731	1,091,599	4,415,518

PHNOM PENH COMMERCIAL BANK PLC.

**NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

7. LEASES

This note provides information for leases where the Bank is a lessee.

The Group and the Bank leases various buildings for its head office and branch operations. Rental contracts are typically made for fixed periods of 1 to 20 years.

(i) Amounts recognised in the statement of financial position

	Consolidated financial information				Separate financial information			
	30 June 2021		31 December 2020		30 June 2021		31 December 2020	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
<i>Right-of-use assets (Non-current)</i>								
Office space	10,396,129	42,312,245	9,417,649	38,094,390	19,229,065	78,262,295	18,577,728	75,146,910
ATM space	166,098	676,019	168,926	683,306	166,098	676,019	168,926	683,306
Billboard	31,713	129,072	95,872	387,802	31,713	129,072	95,872	387,802
Generator	92,473	376,365	57,561	232,834	92,473	376,365	57,561	232,834
Vehicle	102,033	415,274	40,176	162,512	102,033	415,274	40,176	162,512
	<u>10,788,446</u>	<u>43,908,975</u>	<u>9,780,184</u>	<u>39,560,844</u>	<u>19,621,382</u>	<u>79,859,025</u>	<u>18,940,263</u>	<u>76,613,364</u>
<i>Lease liabilities</i>								
Current	2,278,634	9,274,040	2,118,619	8,569,814	2,278,634	9,274,040	2,118,619	8,569,814
Non-current	9,039,505	36,790,786	8,071,222	32,648,093	18,709,317	76,146,921	17,975,527	72,711,007
	<u>11,318,139</u>	<u>46,064,826</u>	<u>10,189,841</u>	<u>41,217,907</u>	<u>20,987,951</u>	<u>85,420,961</u>	<u>20,094,146</u>	<u>81,280,821</u>

Right-of-use assets' additions for the Group and the Bank during the six-month period ended 30 June 2021 were US\$2,178,177 (the six-month period ended 30 June 2020: US\$3,336,962).

PHNOM PENH COMMERCIAL BANK PLC.

NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

7. LEASES (continued)

(ii) Amounts recognised in the statement of profit or loss and other comprehensive income

	Consolidated financial information							
	For the three-month period ended				For the six-month period ended			
	30 June 2021		30 June 2020		30 June 2021		30 June 2020	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
<i>Depreciation of right-of-use assets</i>								
Office space	436,680	1,774,231	300,685	1,225,592	873,348	3,546,666	453,120	1,846,917
ATM space	33,964	137,996	29,981	122,201	72,293	293,582	17,265	70,372
Billboard	20,843	84,685	32,121	130,925	64,159	260,550	82,631	336,804
Generator	38,144	154,979	32,127	130,950	75,346	305,980	59,773	243,635
Vehicle	43,005	174,729	35,142	143,239	82,417	334,695	45,049	183,620
	<u>572,636</u>	<u>2,326,620</u>	<u>430,056</u>	<u>1,752,907</u>	<u>1,167,563</u>	<u>4,741,473</u>	<u>657,838</u>	<u>2,681,348</u>
Interest expense	107,207	435,582	68,346	278,580	218,901	888,957	159,516	650,187
Expenses relating to leases of low-value assets (included in other operating expenses)	<u>20,376</u>	<u>82,788</u>	<u>20,053</u>	<u>81,736</u>	<u>40,472</u>	<u>164,357</u>	<u>43,230</u>	<u>176,205</u>
Total expenses related to leases	<u>127,583</u>	<u>518,370</u>	<u>88,399</u>	<u>360,316</u>	<u>259,373</u>	<u>1,053,314</u>	<u>202,746</u>	<u>826,392</u>

The total cash outflow for leases for the six-month period ended 30 June 2021 was US\$1,266,428 (the six-month period ended 30 June 2020: US\$1,171,033).

PHNOM PENH COMMERCIAL BANK PLC.

NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

7. LEASES (continued)

(ii) Amounts recognised in the statement of profit or loss and other comprehensive income (continued)

	Separate financial information							
	For the three-month period ended				For the six-month period ended			
	30 June 2021		30 June 2020		30 June 2021		30 June 2020	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
<i>Depreciation of right-of-use assets</i>								
Office space	600,252	2,438,824	557,200	2,271,147	1,200,492	4,875,198	764,378	3,115,605
ATM space	33,964	137,996	29,981	122,201	72,293	293,582	17,265	70,372
Billboard	20,843	84,685	32,121	130,925	64,159	260,550	82,631	336,804
Generator	38,144	154,979	32,127	130,950	75,346	305,980	59,773	243,635
Vehicle	43,005	174,729	35,142	143,239	82,417	334,695	45,049	183,620
	<u>736,208</u>	<u>2,991,213</u>	<u>686,571</u>	<u>2,798,462</u>	<u>1,494,707</u>	<u>6,070,005</u>	<u>969,096</u>	<u>3,950,036</u>
Interest expense	196,422	798,063	145,395	592,632	398,407	1,617,931	159,516	650,187
Expenses relating to leases of low-value assets (included in other operating expenses)	<u>20,376</u>	<u>82,788</u>	<u>20,053</u>	<u>81,736</u>	<u>40,472</u>	<u>164,357</u>	<u>43,230</u>	<u>176,205</u>
Total expenses related to leases	<u>216,798</u>	<u>880,851</u>	<u>165,448</u>	<u>674,368</u>	<u>438,879</u>	<u>1,782,288</u>	<u>202,746</u>	<u>826,392</u>

The total cash outflow for leases for the six-month period ended 30 June 2021 was US\$1,680,164 (the six-month period ended 30 June 2020: US\$1,337,240).

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8. SHARE CAPITAL

During the period, the Bank requested the central bank to increase its share capital from US\$92,000,000 to US\$102,000,000 by converting its retained earnings of US\$10,000,000 to the share capital, which was approved by the central bank and the Ministry of Commerce on 2 June 2021 and 30 June 2021, respectively

	Consolidated financial information				Separate financial information			
	30 June 2021		31 December 2020		30 June 2021		31 December 2020	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
At beginning of the period	92,000,000	372,140,000	92,000,000	376,556,000	92,000,000	372,140,000	92,000,000	376,556,000
Conversion of retained earnings to share capital	10,000,000	40,610,000	-	-	10,000,000	40,610,000	-	-
Currency translation differences	-	2,390,000	-	(4,416,000)	-	2,390,000	-	(4,416,000)
At end of the period	<u>102,000,000</u>	<u>415,140,000</u>	<u>92,000,000</u>	<u>372,140,000</u>	<u>102,000,000</u>	<u>415,140,000</u>	<u>92,000,000</u>	<u>372,140,000</u>
	30 June 2021			31 December 2020				
	Number of shares	%	US\$	Number of shares	%	US\$		
Shareholders:								
Jeonbuk Bank Co., Ltd	51,000	50%	51,000,000	46,000	50%	46,000,000		
Apro Financial Co., Ltd	40,800	40%	40,800,000	36,800	40%	36,800,000		
JB Woori Capital Co., Ltd	10,200	10%	10,200,000	9,200	10%	9,200,000		
			<u>102,000,000</u>			<u>92,000,000</u>		
<i>In KHR'000 equivalent</i>			<u>415,140,000</u>			<u>376,556,000</u>		

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NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION
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9. IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	Consolidated financial information							
	For the three-month period ended				For the six-month period ended			
	30 June 2021		30 June 2020		30 June 2021		30 June 2020	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
<i>Expected Credit Loss (ECL):</i>								
Loans to customers	305,482	1,241,173	267,057	1,091,462	2,068,509	8,400,215	506,043	2,062,631
Off-balance sheet financial commitments	62,928	255,677	2,714	11,092	94,337	383,103	3,055	12,452
	<u>368,410</u>	<u>1,496,850</u>	<u>269,771</u>	<u>1,102,554</u>	<u>2,162,846</u>	<u>8,783,318</u>	<u>509,098</u>	<u>2,075,083</u>
	Separate financial information							
	For the three-month period ended				For the six-month period ended			
	30 June 2021		30 June 2020		30 June 2021		30 June 2020	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
<i>Expected Credit Loss (ECL):</i>								
Loans to customers	305,481	1,241,169	268,094	1,095,700	2,069,797	8,405,446	507,363	2,068,012
Off-balance sheet financial commitments	62,928	255,677	2,714	11,092	94,337	383,102	3,055	12,452
	<u>368,409</u>	<u>1,496,846</u>	<u>270,808</u>	<u>1,106,792</u>	<u>2,164,134</u>	<u>8,788,548</u>	<u>510,418</u>	<u>2,080,464</u>

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NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION
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10. OTHER OPERATING EXPENSES

	Consolidated financial information							
	For the three-month period ended				For the six-month period ended			
	30 June 2021		30 June 2020		30 June 2021		30 June 2020	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Charitable contribution	1,415,000	5,749,145	12,813	52,367	1,415,000	5,746,315	12,813	52,226
Repairs and maintenance	250,978	1,019,724	308,162	1,259,458	808,039	3,281,446	600,408	2,447,263
Other tax expenses	173,920	706,637	197,281	806,287	377,024	1,531,094	405,445	1,652,594
Professional fees	173,532	705,061	219,850	898,527	304,436	1,236,315	402,727	1,641,515
Bank security expenses	126,143	512,519	118,363	483,750	252,528	1,025,516	249,349	1,016,347
Marketing and advertising	116,400	472,933	213,277	871,663	254,057	1,031,725	374,195	1,525,219
Utilities expenses	106,077	430,991	109,676	448,246	206,977	840,534	210,787	859,168
Business meals and entertainment	89,725	364,553	94,545	386,405	191,722	778,583	187,174	762,921
License fees	88,650	360,185	267	1,091	179,106	727,349	796	3,244
Telephone expenses	54,955	223,282	48,354	197,623	109,346	444,054	96,590	393,701
Rental expenses	29,630	120,387	99,336	405,986	75,067	304,847	28,590	116,533
Insurance expenses	25,572	103,899	2,407	9,837	41,671	169,226	4,416	18,000
Conventions and conference	6,156	25,012	5,083	20,774	11,584	47,043	44,070	179,629
Travelling expenses	4,440	18,040	13,647	55,775	20,065	81,484	80,031	326,206
Office supplies	-	-	14,485	59,200	748	3,038	17,242	70,278
Others	93,466	379,751	364,817	1,491,009	230,368	935,525	620,346	2,528,530
	<u>2,754,644</u>	<u>11,192,119</u>	<u>1,822,363</u>	<u>7,447,998</u>	<u>4,477,738</u>	<u>18,184,094</u>	<u>3,334,979</u>	<u>13,593,374</u>

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**NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION
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10. OTHER OPERATING EXPENSES (continued)

	Separate financial information							
	For the three-month period ended				For the six-month period ended			
	30 June 2021		30 June 2020		30 June 2021		30 June 2020	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Charitable contribution	1,415,000	5,749,145	12,813	52,367	1,415,000	5,746,315	12,813	52,226
Repairs and maintenance	250,228	1,016,676	368,703	1,506,889	858,599	3,486,771	597,748	2,436,421
Professional fees	173,532	705,061	219,850	898,527	304,436	1,236,315	402,727	1,641,515
Other tax expenses	171,083	695,110	194,745	795,923	371,613	1,509,120	400,356	1,631,851
Bank security expenses	126,143	512,519	118,363	483,750	252,528	1,025,516	249,349	1,016,347
Marketing and advertising	116,400	472,933	213,277	871,663	254,057	1,031,725	374,195	1,525,219
Utilities expenses	106,077	430,991	109,676	448,246	206,977	840,534	210,787	859,168
Business meals and entertainment	89,725	364,553	94,545	386,405	191,722	778,583	187,174	762,921
License fees	88,650	360,185	267	1,091	179,106	727,349	796	3,244
Telephone expenses	54,955	223,282	48,354	197,623	109,346	444,054	96,590	393,701
Rental expenses	47,903	194,630	98,709	403,424	111,613	453,260	27,336	111,422
Insurance expenses	25,572	103,899	2,407	9,837	41,671	169,226	4,416	18,000
Conventions and conference	6,156	25,012	5,083	20,774	11,584	47,043	44,070	179,629
Travelling expenses	4,440	18,040	13,647	55,775	20,065	81,484	80,031	326,206
Office supplies	-	-	14,485	59,200	748	3,038	17,242	70,278
Others	104,607	425,018	183,242	748,910	230,035	934,172	400,728	1,633,367
	<u>2,780,471</u>	<u>11,297,054</u>	<u>1,698,166</u>	<u>6,940,404</u>	<u>4,559,100</u>	<u>18,514,505</u>	<u>3,106,358</u>	<u>12,661,515</u>

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**NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION
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11. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

This note provides an update on the judgements and estimates made by the Group and the Bank in determining the fair values of the financial instruments since the last annual audited financial statements.

(a) Fair value hierarchy

To provide an indication about the reliability of the inputs used in determining fair value, the Group and the Bank classifies its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

The following table presents the Group and the Bank's financial assets measured and recognised at fair value at 30 June 2021 and 31 December 2020 on a recurring basis:

As at 30 June 2021	Consolidated financial information			
	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets				
<i>Financial assets at fair value through other comprehensive income (FVOCI)</i>				
Equity securities – public service	183,419	-	21,818	205,237
Total financial assets	183,419	-	21,818	205,237
<i>In KHR'000 equivalent</i>	746,515	-	88,799	835,314
As at 31 December 2020				
Financial assets				
<i>Financial assets at fair value through other comprehensive income (FVOCI)</i>				
Equity securities	142,651	-	21,818	164,469
Total financial assets	142,651	-	21,818	164,469
<i>In KHR'000 equivalent</i>	577,023	-	88,254	665,277

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**NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION
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11. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

(a) Fair value hierarchy (continued)

	Separate financial information			Total US\$
	Level 1 US\$	Level 2 US\$	Level 3 US\$	
As at 30 June 2021				
Financial assets				
<i>Financial assets at fair value through other comprehensive income (FVOCI)</i>				
Equity securities – public service	183,419	-	21,818	205,237
Total financial assets	183,419	-	21,818	205,237
<i>In KHR'000 equivalent</i>	<u>746,515</u>	<u>-</u>	<u>88,799</u>	<u>835,314</u>
As at 31 December 2020				
Financial assets				
<i>Financial assets at fair value through other comprehensive income (FVOCI)</i>				
Equity securities	142,651	-	21,818	164,469
Total financial assets	142,651	-	21,818	164,469
<i>In KHR'000 equivalent</i>	<u>577,023</u>	<u>-</u>	<u>88,254</u>	<u>665,277</u>

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group and the Bank is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(b) Financial instruments measured at fair value

The Group and the Bank's financial asset at FVOCI are investment in listed and unlisted equity securities where the fair values have been determined based on the quoted market prices available on the Cambodian Securities Exchange, and present values and the discount rate used, respectively, were adjusted for counterparty or own credit risk.

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11. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements using significant unobservable inputs (level 3)

The unlisted equity securities are the investment in Credit Bureau Cambodia (“CBC”) to be measured at fair value through other comprehensive income as they are not held for trading and the Bank has irrevocably elected at initial recognition to recognise as the financial assets at FVOCI. These are the strategic investments and the Bank considers this classification to be more relevant.

The fair value has been determined based on present values and the discount rate used were adjusted for counterparty or own credit risk. There is no gain/loss recognised in other comprehensive income due to fair value approximate the carrying amount. There is no loss allowance for this FVOCI at 30 June 2021.

(d) Financial instruments not measured at fair value

As at the balance sheet date, the fair values of financial instruments of the Group and the Bank approximate their carrying amounts.

The estimated fair values are based on the following methodologies and assumptions:

(i) *Deposits and placements with the central bank and other banks*

The carrying amounts of deposits and placements with the central bank and other banks approximate their fair values, since these accounts consist mostly of current, savings and short-term deposits.

(ii) *Loans to customers*

For fixed rate loans with remaining period to maturity of less than one year, the carrying amounts are generally reasonable estimates of their fair values.

For fixed rate loans with remaining period to maturity of one year and above, fair values are estimated by discounting the estimated future cash flows using a current lending rate as the prevailing market rates of loans with similar credit risks and maturities have been assessed as insignificantly different to the contractual lending rates. As a result, the fair value of non-current loan and advances to customers might approximate to their carrying value as reporting date.

(iii) *Deposits from banks and non-bank customers*

The fair value of deposits from customers with maturities of less than one year approximate their carrying amount due to the relatively short maturity of these instruments. The fair value of deposits from customers with remaining maturities of more than one year are expected to approximate their carrying amount due to the Bank offered similar interest rate of the instrument with similar maturities and terms.

The estimated fair value of deposits with no stated maturities, which includes non-interest bearing deposits, deposits payable on demand is the amount payable at the reporting date.

(iv) *Other financial assets and other financial liabilities*

The carrying amounts of other financial assets and other financial liabilities are assumed to approximate their fair values as these items are not materially sensitive to the shift in market interest rates.

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11. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

(d) Financial instruments not measured at fair value (continued)

(v) *Lease liabilities*

The estimated fair value of lease liabilities with maturities of less than one year approximate the carrying values. For other lease liabilities with maturities of one year or more, the fair values are estimated based on discounted cash flows using prevailing market rates of incremental borrowings.

(vi) *Borrowings and subordinated debts*

Borrowings and subordinated debts are not quoted in active market and their fair value approximates their carrying amount.

(vii) *Debt securities issued*

The estimated fair value of debt securities is generally based on quoted and observable market prices at the date of statement of financial position. They are not actively traded. The estimated fair values of debt securities approximate their carrying values based on estimated future cash flows using prevailing market rates.